

January 30, 2023

For Immediate Release

Real Estate Investment Trust Securities Issuer:
Mitsui Fudosan Logistics Park Inc.
(Securities Code: 3471)
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Notice Concerning Borrowing of Funds(Including Sustainability Linked Loan)

Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”) today resolved on a debt financing (the “Borrowing”) hereby announces as follows:

MFLP-REIT is focusing on promoting sustainability initiatives, and as part of the long-term borrowing, MFLP-REIT will borrow a syndicated sustainability linked loan(the "Sustainability Linked Loan"), which is the first loan in the J-REIT market to utilize the Sustainability Linked Loan Framework(*). MFLP-REIT aims to promote the asset management with consideration to ESG and strengthen the funding base through sustainability finance. Please refer to Appendix 1 for details of the Sustainability Linked Loan.

(Note) Sustainability-Linked Loan Framework means a framework that defines various loan-related requirements for the continued use of Sustainability-Linked Loans including the selection of Key Performance Indicator (“KPI”) and Sustainability Performance Target (“SPT”), changes in borrowing rates based on the degree of achievement of the SPT, and reporting and verification of the achievement of the SPT.

I. Borrowing

1. Details of Borrowing

A. Short-term borrowing

Lender	Amount (million yen)	Interest rate	Borrowing date	Repayment date	Repayment method, Collateral etc.
Mizuho Bank, Ltd.	2,500	Base rate +0.035% (*1)	February 1, 2023	February 15, 2023	Bullet repayment, Unsecured and non- guaranteed
Sumitomo Mitsui Trust Bank, Limited	1,000	Base rate +0.05% (*2)	February 1, 2023	March 1, 2023	Bullet repayment, Unsecured and non- guaranteed
The Bank of Fukuoka, Ltd.	3,000	Base rate +0.05% (*2)	February 1, 2023	March 1, 2023	Bullet repayment, Unsecured and non- guaranteed
Total of short-term borrowing	6,500	-	-	-	-

Note: This document is a press release that is to be made publicly available regarding the borrowing of funds by MFLP-REIT, and has not been prepared for the purpose of solicitation of investment.

(Note 1) The interest payment date is the repayment date. The base interest rate is calculated by linear interpolation of the JBA one-week Japanese Yen TIBOR and one-month Japanese Yen TIBOR published by JBA TIBOR Administration two business days prior to the borrowing date.

(Note 2) The interest payment date is the repayment date. The base interest rate is the JBA one-month Japanese Yen TIBOR published by JBA TIBOR Administration two business days prior to the borrowing date.

The JBA Japanese yen TIBOR can be found on the website of the JBA TIBOR Administration (<https://www.jbatibor.or.jp/english/rate/>).

B. Long-term borrowing

Lender		Amount (million yen)	Interest rate(*1)	Borrowing date	Repayment date(*5)	Repayment method, Collateral etc.
Syndicate of 21 banks arranged by Sumitomo Mitsui Banking Corporation (Sustainability Linked Loan)	Sumitomo Mitsui Banking Corporation	500	0.50% (*2)	February 1, 2023	February 1, 2027	Bullet repayment, Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	500	0.5875% (*2)			
	MUFG Bank, Ltd.	300	0.5375% (*2)			
	The Norinchukin Bank	500	0.9663% (*3)	February 1, 2023	February 1, 2030	Bullet repayment, Unsecured and non-guaranteed
	Daishi Hokuetsu Bank, Ltd.	400				
	The Yamagata Bank, Ltd.	400				
	Kiraboshi Bank, Ltd.	300	1.0175% (*3)	February 1, 2023	August 1, 2030	Bullet repayment, Unsecured and non-guaranteed
	The Bank of Fukuoka, Ltd.	500				
	The Hachijuni Bank, Ltd.	500				
	The Chiba Bank, Ltd.	400				
	The Joyo Bank, Ltd.	400				
	The Keiyo Bank, Ltd.	400	1.2265% (*4)	February 1, 2023	August 2, 2032	Bullet repayment, Unsecured and non-guaranteed
	Shinkin Central Bank	500				
	Momiji Bank Ltd.	400				
	The Bank of Kyoto, Ltd.	400				

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	Sumitomo Mitsui Banking Corporation	400	1.2713% (*4)	February 1, 2023	February 1, 2033	Bullet repayment, Unsecured and non-guaranteed
	Mizuho Bank, Ltd.	500				
	Mizuho Trust & Banking Co., Ltd.	500				
	The Yamaguchi Bank, Ltd.	500				
	SBI Shinsei Bank, Ltd.	500				
	Sumitomo Life Insurance Company	500				
	Nippon Life Insurance Company	500				
	Kiraboshi Bank, Ltd.	200				
Total of long-term borrowing	-	10,000	-	-	-	-

(Note 1) Interest rate is fixed until the repayment date. The first interest payment date is the last day of July 2023, and thereafter the interest payment date will be the last day of January and July until and including the repayment date. (If each interest payment date is not a business day, such interest payment date shall be on the next business day. Provided, however, that such interest payment date shall be on the preceding business day if such next business day falls into the next month.) In addition, since the borrowing is planned to be financed by a Sustainability Linked Loan, the interest rate from the timing of the determination to the repayment date will change according to the achievement status of the the Sustainability Performance Target ("SPT") as described in (Note 2) through (Note 4) .

(Note 2) SPT: 60% reduction of CO2 emission intensity in logistics facilities (Scope 1 and 2) as of 2024 compared to 2016

Applicable period: From the beginning of the first interest calculation period that falls after the end of July 2025 until the principal repayment date

- (1) If emissions intensity is reduced by 60% (Achievement of SPT) : Initial interest rate - 0.01%
- (2) If the emissions intensity increases compared to 2016 (SPT Not Achieved) : Initial interest rate + 0.01%
- If neither (1) nor (2) applies (SPT Not Achieved) : Initial interest rate

(Note 3) SPT: 90% reduction of CO2 emission intensity in logistics facilities (Scope 1 and 2) as of 2027 compared to 2016

Applicable period: From the beginning of the first interest calculation period that falls after the end of July 2028 until the principal repayment date

- (1) If emissions intensity is reduced by 90% (Achievement of SPT) : Initial interest rate - 0.02%
- (2) If the emissions intensity increases compared to 2016 (SPT Not Achieved) : Initial interest rate + 0.02%
- If neither (1) nor (2) applies (SPT Not Achieved) : Initial interest rate

(Note 4) SPT: 100% reduction of CO2 emission intensity in logistics facilities (Scope 1 and 2) as of 2030 compared to 2016

Applicable period: From the beginning of the first interest calculation period that falls after the end of July 2031 until the principal repayment date

- (1) If emissions intensity is reduced by 100% (Achievement of SPT) : Initial interest rate - 0.02%
- (2) If the emissions intensity increases compared to 2016 (SPT Not Achieved) : Initial interest rate + 0.02%
- If neither (1) nor (2) applies (SPT Not Achieved) : Initial interest rate

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(Note 5) If each repayment date is not a business day, such repayment date shall be on the next business day. Provided, however, that such repayment date shall be on the preceding business day if such next business day falls into the next month.

2. Reason for Borrowing

Funds are to be allocated towards a part of the purchase price of the real estate trust beneficiary interests (the “Anticipated Acquisitions”) and the related costs, referred to in the press release “Notice Concerning Acquisition and Leasing of Assets” announced on January 30, 2023.

3. Amount, specific use of proceeds and expected date of expenditure of funds to be procured

(1) Amount of funds to be procured

¥16,500 million

(2) Specific use of proceeds of funds to be procured

Funds are to be allocated towards a part of financing for the Anticipated Acquisition and the related costs.

(3) Expected date of expenditure

February 1, 2023

II. Status of the borrowings after execution of Borrowing

(Unit: millions of yen)

	Prior to execution	After execution	Change
Short-term borrowing ^(*)	0	6,500	6,500
Long-term borrowing ^(*)	115,700	125,700	10,000
Total borrowing	115,700	132,200	16,500
Investment corporation bonds	5,000	5,000	-
Total of borrowing and investment corporation bonds	120,700	137,200	16,500

(Note) “Short-term borrowing” refers to borrowing with a maturity of one year or less from the borrowing date. “Long-term borrowing” refers to borrowing with a maturity of more than one year from the borrowing date.

III. Other

Concerning the risks of the Borrowing and the Repayment, there are no material changes in the details of risks as described in “Part I Fund Information / 1. Overview of Fund / 3. Investment Risks” of the Securities Report submitted on October 26, 2022.

We did not publish an English version of the Securities Report.

End

*MFLP-REIT’s corporate website: <https://www.mflp-r.co.jp/en/>

(Appendix 1)

About the Sustainability Linked Loan

Note: This document is a press release that is to be made publicly available regarding the borrowing of funds by MFLP-REIT, and has not been prepared for the purpose of solicitation of investment.



(Attachment 1.)

About the Sustainability Linked Loan

I. Purpose and background of issuing the Sustainability Linked Loan

Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”) is the sponsor of MFLP-REIT and has formed a strategic partnership with respect to the logistics facilities business with MFLP-REIT. Mitsui Fudosan has formulated a business statement with regards to the logistics facilities business, “Connecting Values Together with Customers, and Creating New Values Together with Customers”. In addition to expanding business and enriching societies, Mitsui Fudosan is creating new value by contributing to regional and urban development. Furthermore, the Mitsui Fudosan Group (Note 1) aims to “successfully establish a sustainable society through the creation of neighborhoods” in the Mitsui Fudosan Group Long-Term Vision, “VISION2025”. Each of such neighborhood creation initiatives is helping to address a wide range of social issues, including a falling birthrate, an aging society, and environmental problems, as well as the need for safe and secure lifestyles and new industry creation. The Mitsui Fudosan Group believes that these efforts will lead not only to the creation of social value, but raise the Mitsui Fudosan Group’s corporate value.

With the current global emphasis on ESG initiatives, MFLP-REIT also sees active participation in ESG initiatives as an important issue and management policy. Although MFLP-REIT has so far raised funds through sustainability bonds and green loans, it should raise funds from various other angles in addition to these, and in particular, through the establishment of a sustainability linked loan, MFLP-REIT will be able to achieve its goals by setting incentives for the environmental KPI it has set for March 2022. In particular, we believe that the creation of the Sustainability Linked Loan will motivate to achieve the environmental KPI set by MFLP-REIT in March 2022, and will contribute to more ESG-conscious management.

(Note 1) “Mitsui Fudosan Group” refers to a corporate group comprising Mitsui Fudosan, 275 Mitsui Fudosan’s consolidated subsidiaries and 90 Mitsui Fudosan’s associates accounted for using the equity method (as of March 31, 2022).

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II. Overview of the Sustainability Linked Loan

In procuring the Sustainability Linked Loan, MFLP-REIT has developed the Framework, the first time for J-REIT. Under the Framework, “CO2 emission intensity in logistics facilities (Scope 1 and 2)” was selected as a KPI (the "KPI"), and the following SPT was established based on the KPI. The KPI is consistent with the content of the environmental KPI established by MFLP-REIT in March 2022.

The KPI established by MFLP-REIT						
Reducing CO2 emissions intensity in logistics facilities:100% reduction in owner-managed (Scope 1 and 2) by 2030 compared to 2016						
→MFLP-REIT received a opinion from R&I that the SPT is a sufficiently ambitious goal.						
Lender	Amount (million yen) / Borrowing period	SPT	Incentive			
Syndicate of 21 banks arranged by Sumitomo Mitsui Banking Corporation (Sustainability Linked Loan)	10,000 / 4 ~ 10 year	Reducing CO2 emissions intensity (Scope 1 and 2) of logistics facilities from 2016 by the following percent	0.02% / 0.01% reduction in the applicable interest rate for the remaining term upon achievement of SPT (Note 2)			
		<table border="1"> <thead> <tr> <th>by 2024</th> <th>by 2027</th> <th>by 2030</th> </tr> </thead> <tbody> <tr> <td>60%</td> <td>90%</td> <td>100%</td> </tr> </tbody> </table>		by 2024	by 2027	by 2030
by 2024	by 2027	by 2030				
60%	90%	100%				

(Note 2) If the CO2 emission intensity as of the SPT determination year is higher than in 2016, the applicable interest rate for the remaining period will be increased by 0.01% or 0.02%.

III. Eligibility for the Sustainability Linked Loan

The Sustainability Linked Loan is a loan based on the Sustainability Linked Loan Framework (the "Framework"), which was established for the first time among J-REITs by MFLP-REIT. The Framework is based on the "Sustainability Linked Loan Framework" developed by LMA (Loan Market Association), LSTA (Loan Syndications and Trading Association) and APLMA (Asia Pacific Loan Market Association), which are international financial industry associations, and the Green Loan and Sustainability-Linked Loan Guidelines (2022 edition) developed by the Ministry of the Environment of Japan, as well as the appropriateness of the SPT established by R&I, a third-party rating agency, a third-party organization has given a "Second Opinion". Details of R&I's "Second Opinion" can be found on R&I's website below.

<http://www.r-i.co.jp/en/rating/esg/index.html>

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